

IRS News Release

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Ford and Mercury Sell Over 6,100 Hybrid Vehicles

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WASHINGTON — The Internal Revenue Service announced that purchasers of Ford Motor Company qualified vehicles may continue to claim the Alternative Motor Vehicle Credit. The announcement comes after the IRS concluded its quarterly review of the number of hybrid vehicles sold.

The tax credit for hybrid vehicles applies to vehicles purchased on or after January 1, 2006, and it may be as much as \$3,400 for those who purchase the most fuel-efficient vehicles.

The Quarterly Report of Qualified Vehicles for the Alternative Motor Vehicle Credit for the quarter ending March 31, 2006, shows that Ford (which owns Mercury) sold 6,192 qualifying vehicles to retail dealers.

The make, model year and the corresponding allowable credit for qualified vehicles sold in the quarter are:

- Ford Escape 2WD Hybrid, 2006 — \$2,600
- Ford Escape 4WD Hybrid, 2006 — \$1,950
- Mercury Mariner 4WD Hybrid, 2006 — \$1,950

Consumers seeking the credit may want to buy early because the full credit is only available for a limited time. Taxpayers may claim the full amount of the allowable credit up to the end of the first calendar quarter after the quarter in which the manufacturer records its sale of the 60,000th vehicle. For the second and third calendar quarters after the quarter in which the 60,000th vehicle is sold, taxpayers may claim 50 percent of the credit. For the fourth and fifth calendar quarters, taxpayers may claim 25 percent of the credit. No credit is allowed after the fifth quarter.

More information on hybrid vehicles and other alternative motor vehicles can be found at: IRS.gov.